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April 6, 2004 License Agreement was offered by company ranked in the top 10 of the promotional merchandise industry. The company has been in business for over 20 years and in the past year exceeded 100 million in revenue.

April 6, 2004

# **PRODUCT LICENSING AND ROYALTY AGREEMENT**

(Version 1)

**PATENT AND TECHNICAL INFORMATION  
LICENSE AGREEMENT**

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**PATENT AND TECHNICAL INFORMATION****LICENSE AGREEMENT**

This Patent and Technical License Agreement ("Agreement") is entered into -

[REDACTED] (hereinafter sometimes called the "Licensee"), and Gearmax, Inc., a body corporate chartered in and existing under the laws of the Commonwealth of Virginia, and having its principal offices and place of business at 11227 Mayers Run Drive, Ashland, Virginia 23005 (hereinafter sometimes called the "Licensor").

I. Background of Agreement

- 1.00 Licensor warrants and represents that it is the sole owner subject to existing Patent License Agreements with other entities, and other License Agreement currently being negotiated with other entities, of all right, title and interest in and to that certain patent application for *Sports Equipment Bag, Organizer and Ventilator*, U.S. Patent Application Serial No. 09/995,615, an application filed in the U.S. Patent & Trademark Office on the 29<sup>th</sup> of November 2001, based on a provisional patent application that was filed on the 14<sup>th</sup> of December 2000 and assigned Serial No. 60/255,060 (which patent application is sometimes hereinafter referred to as the "PATENT APPLICATION"), with respect to which the Licensor is prepared to grant a license to Licensee, along with certain other rights to be granted to Licensee related thereto.
- 1.01 Licensee wishes to acquire a license under the PATENT APPLICATION, and the PATENT and certain TECHNICAL INFORMATION from Licensor for the purpose of making, having made, using and selling in the LICENSED FIELD.
- 1.02 Licensor is the developer of and has patent rights pending to a product known as the GEARMAX BACKPACK PRODUCTS;
- 1.03 Licensor wishes to have the LICENSED PRODUCTS (as hereinafter defined) manufactured, marketed, distributed and sold and whereas Licensee possesses considerable expertise in manufacturing, sales and marketing; and Licensor is willing to appoint Licensee as its sales and marketing agent and distributor for the Licensor LICENSED PRODUCTS and grant the Licensee rights to manufacture, sell and market the LICENSED PRODUCTS world-wide on the terms and subject to the conditions of this Agreement.
- 1.04 Licensee desires to acquire from Licensor, and Licensor, pursuant to this Agreement, is willing to grant to the Licensee, a license to manufacture, have manufactured, distribute, offer for sale and sell the LICENSED PRODUCTS throughout the LICENSED TERRITORY subject to the provisions, conditions and terms of this Agreement.

## II. Definitions

As used herein, the following terms shall have the meanings set forth below:

- 2.00 For purposes hereof, "LICENSED APPLICATIONS" means the PATENT APPLICATION, any United States patent granted on that PATENT APPLICATION and any foreign patent granted to Licensor upon foreign applications that claim priority from the PATENT APPLICATION, but excludes any patents or patent applications relating to IMPROVEMENTS (as the term "IMPROVEMENTS" is hereinafter defined) now existing or created hereafter and owned or acquired by Licensor or by Kenneth Buck Albritton ("Albritton") during the term hereof, and excludes any continuations, continuations-in-part, divisions, reexaminations or reissues relating to any of the above patent applications or patents.
- 2.01 For purposes hereof, "LICENSED PATENT" means the first United States Patent to be granted upon the LICENSED APPLICATION and any foreign patent granted to Licensor upon foreign applications that claim priority from the PATENT APPLICATION.
- 2.02 For purposes hereof, "LICENSED TERRITORY" means the geographical area licensed.
- 2.03 For purposes hereof, "IMPROVEMENTS" means any present and future inventions and/or developments within the LICENSED FIELD that, when practiced, would infringe one or more of the claims of the PATENT.
- 2.04 For purposes hereof, "TECHNICAL INFORMATION" means:
  - (A) all research and development information, know-how, design and technical data disclosed in the LICENSED APPLICATION, and present unpublished research and development information, know-how, trade secrets and technical data (exclusive of raw data forms and data bases) in the possession of Licensor, prior to and during the term of this Agreement, that, when practiced, would infringe the LICENSED PATENT, and is useful in the design, manufacture, production, development, use, sale, application and commercialization of LICENSED PRODUCTS in the LICENSED FIELD, including, but not limited to, information used in determining material and fabric characteristics, ornamentation and utility in the design, production, development, use, sale, application and commercialization of LICENSED PRODUCTS in the LICENSED FIELD, and including, but not limited to, information used in determining material and fabric characteristics, durability and strength for use in the LICENSED PRODUCTS, and which Licensor is not restricted from disclosing by confidentiality agreements with third parties, executed prior to the EFFECTIVE DATE, and
  - (B) future unpublished research and development information, know-how, trade secrets and technical data (exclusive of raw data forms and data bases) in the possession of Licensor, developed at the sole expense of Licensee, and related to the LICENSED PATENT, prior to and during the term of this Agreement, which are useful in

the design, manufacture, production, development, use, sale, application and commercialization of LICENSED PRODUCTS in the LICENSED FIELD, and which Licensor is not restricted from disclosing by confidentiality agreements with third parties executed prior to the EFFECTIVE DATE.

- 2.05 For purposes hereof, "LICENSED FIELD" shall mean manufacturing and sales of the GEARMAX BACKPACKS for baby product uses.
- 2.06 For purposes hereof, "NON-LICENSED FIELDS" shall mean manufacturing and sales of the GEARMAX BACKPACKS for luggage, baby product uses and others.
- 2.07 For purposes hereof, "GEARMAX BACKPACKS" shall mean any apparatus that have the dimensions that are not greater than: height-19", width- 19", depth- 12" or less; however in no event shall the term "GEARMAX BACKPACKS" include the NON-LICENSED FIELDS.
- 2.08 For purposes hereof, other products that have dimensions that are greater than: height-19", width- 19", depth- 12", are not included within the LICENSED PRODUCTS.
- 2.09 "EFFECTIVE DATE" means the date that the signature of the Licensor is placed on this Agreement by Licensor and initial payment is received
- 2.10 "NET SALES PRICE" for the purpose of computing royalties hereunder shall mean the gross revenues received for Licensed Products from Unaffiliated third parties on account of sales, leases or fees for Licensed Products or Technology, less defective and non-defective returns, discounts, in amounts customary in the trade, for quantity purchases, or for prompt payment; credits or refunds, not exceeding the original invoice amount, for claims or returns; prepaid outbound transportation expenses; and sale and use taxes imposed by governmental agencies. If Licensed Products are to an Affiliated party, Net Sales shall be determined by the fair market value or last sales price to Unaffiliated third parties.
- 2.11 For purposes hereof, "JOINT VENTURE OR AFFILIATED ENTITY" of a party means a legal entity in which such party directly or indirectly holds more than fifty percent (50%) of either the equity or the voting interest.

III. License Grant; Term of Agreement; Non-Competition

3.00 Licensor hereby grants only to Licensee and to the exclusion of Licensor

and all other parties within only the LICENSED FIELD and within the LICENSED TERRITORY, the sole license within the LICENSED FIELD and within LICENSED TERRITORY under the LICENSED APPLICATIONS, LICENSED PATENT, IMPROVEMENTS, and TECHNICAL INFORMATION to make, have made, use and sell LICENSED PRODUCTS during the Term of this Agreement. No license under the LICENSED APPLICATIONS, LICENSED PATENT, IMPROVEMENTS or of the TECHNICAL INFORMATION is granted, and no license should be implied, with respect to activities of Licensee outside of the LICENSED FIELD, LICENSED TERRITORY and LICENSED PRODUCTS.

- 3.01 While this Agreement is in effect, Licensors shall not grant to any person, corporation, partnership, association or other entity a license under the LICENSED APPLICATIONS, LICENSED PATENT, IMPROVEMENTS or TECHNICAL INFORMATION to make, have made, use, offer for sale or sell the LICENSED PRODUCTS within the LICENSED FIELD, nor shall Licensors make, have made, use or sell any LICENSED PRODUCTS within the LICENSED FIELD. Licensors is free to license to others to make, have made, use, offer for sale or sell, *inter alia*, for all products in the NON-LICENSED FIELDS under the LICENSED APPLICATIONS, LICENSED PATENT, IMPROVEMENTS and/or TECHNICAL INFORMATION.
- 3.02 This Agreement and the license and other rights granted pursuant to this Agreement shall commence on the EFFECTIVE DATE, and all of such licenses or other rights, shall continue in effect through the expiration of the LICENSED PATENT (the "Term"), unless the Agreement specifies that such rights shall survive the expiration of the Term.
- 3.03 Future TECHNICAL INFORMATION that is developed or created during the Term of this Agreement by Licensors shall promptly be disclosed in writing to Licensee and thereafter promptly made available to Licensee for its use pursuant to this Agreement.

#### IV. License Fees, Royalty and Advance Payment on Royalty

- 4.00 Licensee shall, in exchange for this Agreement and Licensors's offer of services under Section 6.04, pay to Licensors as a license royalty, the dollar amounts determined, which license shall be non-refundable, under subsections (i):
  - (i) GEARMAX BACKPACKS: The greater dollar amount computed as Seven and a half (7.5%) percent of Licensee's NET SALES PRICE or One Dollar and No Cents (\$1.00) per each unit of LICENSED PRODUCTS that are GEARMAX BACKPACKS sold within the LICENSED TERRITORY during the Term, determined as follows:
    - (A) In the first twelve month period of the Term, the greater dollar amount computed as Seven and a half (7.5%) percent of

Licensee's NET SALES PRICE or One Dollar and No Cents (\$1.00) per each unit of LICENSED PRODUCTS that are GEARMAX BACKPACKS sold within the LICENSED TERRITORY, but not less than \$135,000.00;

- (B) In the second twelve month period of the Term, the greater dollar amount computed as Seven and a half (7.5%) percent of Licensee's NET SALES PRICE or One Dollar and No Cents (\$1.00) per each unit of LICENSED PRODUCTS that are GEARMAX BACKPACKS sold within the LICENSED TERRITORY, but not less than \$405,000.00;
- (C) In the third twelve month period of the Term, the greater dollar amount computed as Seven and a half (7.5%) percent of Licensee's NET SALES PRICE or One Dollar and No Cents (\$1.00) per each unit of LICENSED PRODUCTS that are GEARMAX BACKPACKS sold within the LICENSED TERRITORY, but not less than \$810,000.00;
- (D) An advance on first year's Royalty Payments of \$50,000 will be paid Licensor at signing and initiation of agreement.

V. Accounting

5.00 Licensee shall furnish to Licensor a written statement, of all amounts due pursuant to Section 4.00 and 5.00 hereof for the calendar quarterly periods that ended on the last day of the preceding December, March, June and September, respectively, and shall at the same time simultaneously pay to Licensor thereon all amounts due to Licensor for the period then ending on the last day of such preceding December, March, June and September, respectively. In the event that the amounts due under Section 4.00 at the end of any calendar year do not equal the minimum royalty specified in such section for such calendar year, Licensee shall pay to Licensor on the last day of March, following the end of any such calendar year, the amount required to satisfy the minimum royalty obligation for the preceding calendar year. If no royalty is accrued during any calendar quarterly period, a written statement to that effect shall be furnished by Licensee to Licensor.

5.01 Not later than ninety (90) days after the close of each fiscal year of Licensee, Licensee shall have an audited annual report prepared and delivered by a certified public accountant to Licensor, that confirms the audit and the written statements provided to Licensor under Section 7.00, and that certifies as correct the written statements provided to Licensor under Section 7.00, all sales of LICENSED PRODUCTS made during the fiscal year, the corresponding NET SALES PRICE and the royalty paid or to be paid to Licensor.



- 5.02 Payments provided for in this Agreement, when overdue, shall bear interest at a rate equal to nine percent (9.0%) per annum for the time period between the date payment becomes due and the date payment is received by Licensor.
- 5.03 If this Agreement is, for any reason, terminated before all of the payments herein provided have been made (including minimum royalties for the calendar year in which the Agreement is terminated), Licensee shall submit a terminal report and pay to Licensor any remaining unpaid royalty balance within ninety (90) days after the effective date of termination, even though the due date as above provided has not been reached. In the event of a termination of this Agreement, for any reason, prior to the end of a calendar year, any minimum royalty under Section 4.00 above shall be prorated for the fractional year and paid with the terminal report.

VI. Representations and Disclaimer; Maintenance of Rights; Insurance; Indemnity; Consulting; Furnishing of Research

- 6.00 Licensor warrants and represents that Licensor is the assignee from all of the named inventors, whether one or more, of all LICENSED PATENT; that Licensor is an owner of the trade secrets, know-how, data and technology to be shared by Licensor with the Licensee under this Agreement; that Licensor is sole owner of all right, title and interest in and to the LICENSED PATENTS; that Licensor has full and exclusive right to grant the license hereunder and execute this Agreement; and that no other license of any of the LICENSED PATENTS or TECHNICAL INFORMATION (other than to Licensee) for LICENSED PRODUCTS within the LICENSED FIELD will be granted by Licensor after the EFFECTIVE DATE. Licensor further warrants and represents that Licensor is not, as of the EFFECTIVE DATE aware of any actual infringement of the LICENSED PATENTS, reexamination proceeding or the commencement of any claim or counterclaim or other legal proceeding by any other person or entity with respect to the LICENSED PATENT or other rights granted herein, including any action or counter claim for declaratory judgment as to the validity or infringement of the PATENT. Nothing in this Agreement shall be deemed to be a representation or warranty of the validity of any of the LICENSED PATENTS or other rights granted hereunder.
- 6.01 Licensee hereby agrees to indemnify, defend and hold harmless Licensor from and against any and all claims, causes of action, damages, suits, liabilities, costs and expenses asserted against or incurred by Licensor, including reasonable attorney fees, which arise out of any willful or negligent act or omission of Licensee with respect to activities in the LICENSED FIELD, including any claim for death or bodily injury or damage to tangible property. Licensor hereby agrees to indemnify, defend and hold harmless Licensee from and against and all claims, causes of action, damages, suits, liabilities, costs and expenses asserted against or incurred by Licensee, including reasonable attorney fees, which arise out of any willful or negligent act or omission of Licensor with respect to

activities in the NON-LICENSED FIELD, including any claim for death or bodily injury to tangible property.

- 6.02 Licensee shall procure, at its expense, and keep in force at all times while this Agreement is in effect, a standard policy of product liability insurance naming Licensor as an additional named insured, with a financially responsible insurance company, having a liability limit of not less than \$1,000,000.00 combined single limit per occurrence for death, bodily injury and property damage, and not less than \$2,000,000.00 combined single limit in the aggregate for death, bodily injury and property damage within any policy year, subject to a deductible of not more than \$5,000.00 per occurrence. Licensee shall provide to Licensor a certificate of insurance upon execution hereof and from time-to-time thereafter evidencing that such insurance is in full force and effect at all times, as required herein. Every such certificate shall provide that the coverage of Licensor may not be canceled without at least thirty (30) days advance written notice to Licensor.
- 6.03 Licensor shall have the obligation to timely pay all maintenance fees with respect to all of the patents within the LICENSED PATENTS and other rights granted hereunder, at Licensor's expense. If Licensor fails at any time to timely pay any maintenance fee, or if Licensor fails in a timely manner to take any other action in connection with the maintenance or defense of any LICENSED PATENTS or other rights granted hereunder, Licensee may pay such maintenance fee or take such action as is necessary to maintain or defend the LICENSED PATENTS or other rights granted hereunder, in the name of Licensor, and Licensor shall cooperate with Licensee in connection therewith. Licensor's cooperation shall include testimony, preparation of testimony, attendance at trials or depositions, consulting with regard to defense of the patent, responding to discovery requests and review and signing of legal documents, and such cooperation, including the cost of any counsel for Licensor, shall be at Licensor's expense. Licensor shall reimburse Licensee for any costs incurred by Licensee in connection with the payment of any patent maintenance fees within ten (10) days after written demand therefore. Licensee can set-off the amount of any maintenance fees incurred by Licensee against any amounts owed by Licensee to Licensor. Licensor shall provide to Licensee written evidence that Licensor has paid any required maintenance fee, or that Licensor has taken any other action to maintain or defend any patent or other rights licensed hereunder, within a reasonable time after receiving a written request therefore from Licensee. Licensor shall provide to Licensee prompt written notice of the initiation of any re-examination proceeding or the commencement or assertion of any claim, counterclaim or other legal proceeding by any person or entity with respect to the LICENSED PATENTS or other rights granted hereunder, including any action or counterclaim for declaratory judgment as to the validity or infringement thereof.
- 6.04 Services: Contributed Services.  
Licensor, as part of the consideration of the Licensor hereunder, has

provided services to assist Licensee in the design, production, development, use, application and commercialization of LICENSED PRODUCTS.

## VII Termination

- 7.00 This Agreement shall terminate upon the expiration of the third year immediately following the EFFECTIVE DATE, unless the Agreement is sooner terminated under other provisions of this Agreement. Upon termination of this Agreement for any reason other than expiration or Licensor's default or breach, Licensee shall immediately cease all practice of the LICENSED APPLICATIONS and LICENSED PATENT and will promptly return to Licensor all copies of unpublished TECHNICAL INFORMATION in its possession.
- 7.01 If Licensor or Licensee shall be in default on any obligation hereunder, the other party may, in its discretion, terminate this Agreement by giving sixty (60) days written notice to the other party, specifying the basis for termination. If within sixty (60) days after the receipt of such notice, the party receiving notice shall remedy the condition forming the basis for termination, such notice shall cease to be operative, and this Agreement shall continue in full force.
- 7.02 The following rights and obligations shall be deemed to survive any termination to the degree necessary to permit their complete fulfillment or discharge:
- A. Licensee's obligation to timely have prepared and delivered to Licensor an audited annual report under Section 7.01 and to supply a terminal report as specified under Section 7.03 of this Agreement.
  - B. Licensor's right to receive or recover and Licensee's obligation to pay license fees or royalties (including minimum royalties) accrued or accruable at the time of any termination.
  - C. Licensee's obligation to maintain records under Section 11.00 of this Agreement.
  - D. Licenses, releases and agreements of non-assertion running in favor of customers or transferees of Licensee with respect to products sold or transferred by Licensee prior to any termination and on which royalties shall have been paid as provided in Section 4.01 of this Agreement.
  - E. The obligations of Licensee and Licensor to maintain this Agreement and the records and other items as confidential, under Article XI of this Agreement.
  - F. Licensee's rights to pursue the litigation remedies specified in Article X hereof with respect to infringement occurring before the

termination of this Agreement.

VIII. Litigation

8.00. Each party, shall promptly notify the other party in writing of any suspected infringement of the LICENSED PATENT or other rights granted hereunder in the LICENSED TERRITORY, whether within the LICENSED FIELD or not, and shall inform the other party of any evidence of such infringements.

8.01 Licensee shall have the first right to institute suit for infringement in the LICENSED FIELD and the LICENSED TERRITORY with respect to the LICENSED PATENTS, or other rights granted hereunder, so long as this Agreement remains in effect. Licensors agrees to join as a party plaintiff in any such lawsuit initiated by Licensee, if requested by Licensee, with all costs, attorney fees and expenses to be paid by Licensee. However, if Licensee does not institute suit for any such infringement within ninety (90) days of receipt of written notice from Licensors of Licensors's desire to bring such suit for infringement in its own name and on its own behalf, then Licensors may, at its own expense, bring suit or take any other appropriate action.

8.02 If Licensee recovers any damages or compensation for any action it takes hereunder within the LICENSED FIELD for LICENSED PRODUCTS, Licensee shall, after first deducting all of its costs and expenses including attorney fees in connection with such matter, retain eighty percent (80%) of the balance of such damages or compensation, and shall pay the balance of twenty percent (20%) of such damages or compensation to Licensors. If Licensors recovers any damages or compensation for any action it takes hereunder within the LICENSED FIELD for LICENSED PRODUCTS, Licensors shall retain after deducting all of its costs and expenses, including attorney fees in connection with such matter, eighty percent (80%) of the balance of any damages or compensation it recovers for any infringement, and shall pay the balance of twenty percent (20%) of such damages or compensation to Licensee.

IX. Records; Confidentiality

9.00 Licensee and any JOINT VENTURE OR AFFILIATED ENTITY, shall keep accurate records of all operations of Licensee affecting payments hereunder. Licensors, or its authorized agent, shall have the right to examine and audit the records used to prepare the royalty reports upon reasonable notice and during normal business hours, but not more often than once per calendar year, at Licensors's expense, provided however, that Licensors shall not be liable for any cost, expense or loss incurred by Licensee while Licensee shall examine and audit the records. In case of any dispute as to the sufficiency or accuracy of such records, Licensors may have an independent certified public accountant examine and certify such records, at Licensors's expense, provided however, that Licensors shall not be liable for any cost, expense or loss incurred by Licensee relating thereto. Licensors, its agent and any independent certified public

accountant shall agree, at the request of Licensee, to maintain the confidentiality of any records of Licensee so disclosed hereunder. The right to examine and audit records hereunder shall be in effect during the term hereof and for a period of one (1) year thereafter, but only as to any time periods which are open to examination under the last sentence of this section. If Licensor does not examine Licensor's records or question any royalty report within one (1) year from the date thereof, then such report shall be considered final and Licensor shall have no further right to contest such report.

- 9.01 Licensor and Licensee agree that any confidential information including, but limited to, documents, trade secrets, intellectual property devices, prototypes or materials, which are provided by either party hereto to the other, or to the employees or representatives of the other party, during the term of this Agreement, will be held in strict confidence by the recipient for a period of three years after receipt thereof, and the recipient will not copy, disclose, transfer or disseminate, or permit anyone to copy disclose, transfer or disseminate, to any other person or firm, other than the officers or employees, including officers, of Licensee or Licensor, the confidential information so provided, without the prior written consent of the party hereto supplying such items. Neither party hereto shall have any obligation of confidentiality with regard to (a) information lawfully in the public domain at any time, (b) information already known to the recipient prior to the date hereof, (c) information obtained by recipient hereafter from a source having authority to disclose such information and who has acquired it lawfully, or (d) information that is helpful to Licensor or Licensee in the prosecution or defense of litigation.
- 9.02 Licensee shall be permitted to retain any and all technical and manufacturing information for the technical evaluation of the LICENSED PRODUCTS previously provided to Licensee by Licensor, subject to the confidentiality obligations of this Agreement.
- 9.03 Licensee and Licensor agree that this Agreement and all correspondence citing this Agreement shall be kept confidential and that no party shall release any copy of any version of this Agreement or correspondence citing this Agreement to any entity without the written authorization of the other parties.

X. Non-Assignability

- 10.00 The parties agree that this Agreement imposes personal obligations on Licensee and Licensor. Neither Licensor nor Licensee shall assign any rights under this Agreement, not specifically transferable by its terms, without the written consent of the other party, except that: a) Licensor may assign any rights to Kenneth Buck Albritton, his potential heirs or a successor, without the consent of Licensee provided the rights to grant the license herein granted are also assigned and provided further that such assignee accepts in writing the provisions of this Agreement and agrees to be bound in all respects thereby in the place of Licensor; b) Licensee may assign this Agreement in its entirety to a successor; any such assignee

must accept in writing the provisions of this Agreement and agree to be bound in all respects thereby in the place of Licensee.

XI. Severability

11.00 The parties agree that if any part, term or provision of this Agreement shall be found to be illegal or in conflict with any valid controlling law, the validity of the remaining provision shall not be affected thereby.

XII. Waiver-Integration; Alteration

12.00 The waiver of a breach hereunder may be affected only by a writing signed by the waiving party and shall not constitute a waiver of any other breach.

12.01 This Agreement represents the entire understanding between the parties on the subject matter hereof, and supersedes all other agreements, express or implied, between the parties.

12.02 No provision of this Agreement may be altered except by a writing signed by both parties.

12.03 The parties hereto shall not be deemed to be agents of each other or partners or joint venturers with the other; the parties hereto shall be deemed to have an independent contractor relationship at all times.

XIII. Marking

13.00 Licensee shall place in a conspicuous location on products made under the LICENSED PATENTS, a patent notice in accordance with 35 U.S.C. § 287.

XIV. Applicable Law, Recording

14.00 This Agreement shall be construed in accordance with the substantive laws of the State of Virginia.

14.01 The parties to this Agreement agree to execute a short form of this Agreement for purposes of recording under 35 U.S.C. § 261, if requested by any party to this Agreement.

XV. Notices Under the Agreement

15.00 For the purpose of all written communications, notices, payments and statements between the parties, their addresses shall be as set forth in the first paragraph of this Agreement, or any other addresses of which either party shall notify the other party in writing. Any such items sent to Licensor shall be sent to Licensor to the attention of Kenneth Buck Albritton, Vice President, unless Licensee is notified in writing of a different address. Any notices to Licensee shall be sent to the attention of \_\_\_\_\_ or such other officer of Licensee as Licensee shall

notify Licensor in writing from time-to-time. All notices, payments or statements under this Agreement shall be in writing and shall be sent by first class certified mail, return receipt requested, postage prepaid, to the party concerned. Any such notice, payment or statement shall be considered sent to or made on the day deposited in the mails.

XVI. Binding Effect

16.00 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assignees.

XVII: Arbitration

17.00 Upon written demand by a Party, any controversy or claim, except claims for equitable relief, arising out of or relating to a breach of this Agreement, shall be settled by arbitration administered by the American Arbitration Association (AAA) under its Commercial Arbitration Rules. Judgement on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall take place at a mutually convenient location or at the nearest office of the AAA to the office of the defending party. The cost of the arbitration and any facilities shall be borne according to the decision of the arbitrator, who may apportion costs equally or in accordance with any finding of fault or lack of good faith of either party. This Section XIX does not apply to any claim for equitable relief in connection with, arising out of or relating to this Agreement.

XVIII: Titles

18.00 The title of each Article in this Agreement are for the convenience of the parties and are not intended to modify the terms and conditions hereof.

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed by their duly authorized officers on the dates hereinafter set forth.

By: \_\_\_\_\_(Seal)

Its:

Attest:

Its:

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

GEARMAX, INC.

By: \_\_\_\_\_(Seal)

Kenneth Buck Albritton

Its: Vice President

Attest:

Its:

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

Personally came before me this \_\_\_\_\_ Day of \_\_\_\_\_, the above named \_\_\_\_\_ and, \_\_\_\_\_ as and, respectively, of Gearmax, Inc., to me known to be the person who executed the foregoing instrument on behalf of such corporation and acknowledged the same.

Notary Public, Commonwealth of VIRGINIA

My Commission expires:

Personally came before me this \_\_\_\_\_ Day of \_\_\_\_\_, the above named \_\_\_\_\_ and, \_\_\_\_\_ as and, respectively, of BD&A Inc., to me known to be the person who executed the foregoing instrument on behalf of such corporation and acknowledged the same.

Notary Public,

My Commission expires: